GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6743
ANSWERED ON:10.05.2002
TAX HOLIDAY
RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE be pleased to state:

(a) whether the tax holiday under section 80-IA has been given to telecommunications service provider who started the service on or before 1st April, 1995;

(b) if so, whether the private investment in the field of telecommunication was allowed in the month of August, 1994;

(c) if so, whether the tax holiday under section 80-IA has been extended to the companies who started the services between September, 1994 and March, 1995;

(d) if so, the time be when said decision has been brought into force; and

(e) the reasons for not extending tax holidays to pioneer in private investments?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b), (c), (d): No, Sir. Section 80-IA of the Income-tax Act, 1961 provide for tax holiday to those undertaking providing telecommunication services, whether basic or cellular, which started these services on or after 1-4-1995.

(e) The intention to provide for the tax Holiday was to attract fresh investment in the telecommunication sector and encourage the setting up of new undertaking in the field of telecommunication services both basic and cellular.